



Talisman Energy Canada

Application for Enlargement of Turner Valley Unit No. 5

March 2, 2004

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2004-017: Talisman Energy Canada, Application for Enlargement of
Turner Valley Unit No. 5

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 5
TURNER VALLEY FIELD**

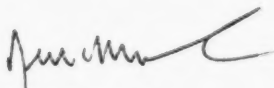
**Decision 2004-017
Application No. 1324846**

DECISION

The Alberta Energy and Utilities Board has considering the findings and recommendations set out in the following examiner report, adopts the recommendation, and directs that Application No. 1324846 be approved.

DATED at Calgary, Alberta, on March 2, 2004.

ALBERTA ENERGY AND UTILITIES BOARD



Neil McCrank
Chairman



EXAMINER REPORT RESPECTING
TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 5
TURNER VALLEY FIELD

Decision 2004-017
Application No. 1324846

1 RECOMMENDATION

The examiner recommends that the Alberta Energy and Utilities Board (EUB/Board) approve Application No. 1324846 to add Legal Subdivisions 1 and 8 of Section 26 of Township 19, Range 3, West of the 5th Meridian (LSDs 1 and 8 respectively) to the area of the Turner Valley Unit No. 5.

2 INTRODUCTION

2.1 Application, Interventions, and Hearing

Talisman Energy Canada (Talisman) applied pursuant to Section 6 of the *Turner Valley Unit Operations Act* to add LSDs 1 and 8 to the area of Unit No. 5.

The existing unit and the proposed area to be added are shown on the attached figure.

The application was considered by means of a hearing as required by clause 6(1) of the *Turner Valley Unit Operations Act* (see Section 2.2 below). The hearing was conducted through a written proceeding by examiner R. J. Willard, P.Eng., pursuant to Section 18 of the *Energy Resources Conservation Act*.

A submission was received in response to the notice of hearing from Ron and Trudy French, who are landowners in LSD 1.

2.2 Background

The *Turner Valley Unit Operations Act* came into force in 1958 and provided the means to force unitization. After a series of public hearings, seven units were formed, including the subject unit, which was established by Order No. TVU 5. The purpose of the units is to facilitate collaborative operations among the numerous owners in the pool, support orderly and efficient development, and minimize impacts.

Clause 6 of the *Turner Valley Unit Operations Act* specifically states that

- (1) On application by the unit operator or the owner to add a tract to an adjacent unit, the Board **after a hearing** [emphasis added] may add the tract to the unit and amend the unit operation order accordingly if the tract is not included in an existing unit.

- (2) An amending order made under subsection (1) must not vary the ratio of allocation of production between unit tracts established under the unit operation order.

3 ISSUES

The examiner considers the issues respecting the application to be

- whether the requested enlargement to the unit is in accordance with the provisions of the act, and
- whether there are any adverse impacts from enlarging the unit.

4 CONSIDERATION OF THE APPLICATION

4.1 Views of Talisman

Talisman, the operator of Unit No. 5, indicated that it had received the unanimous approval of the other owners of the unit to enlarge the unit so as to include the two legal subdivisions involved. The applicant also noted that the legal subdivisions were purchased by the unit owners in the same percentage as the unit ownership and that enlargement of the unit will not affect each owner's share of unit production as required by Section 6(2) of the act.

4.2 Views of Ron and Trudy French

Ron and Trudy French indicated that they have a water well and a dugout on LSD 1. They expressed a concern that approval of the application could impact the quality and supply of their water.

4.3 Views of the Examiner

The examiner notes that the proposed enlargement is in accordance with Section 6(2) of the *Turner Valley Unit Operations Act* in that it would not result in any change to the ratio of allocation of production between tracts in the unit.

The examiner notes the applicant's statement that it has obtained the unanimous approval of other unit owners to add LSDs 1 and 8 to the unit. Furthermore, no concerns were raised by any of the unit owners in response to the issuance of notice of hearing.

The examiner acknowledges the issue raised by Ron and Trudy French, but considers that the matter is not directly related to the enlargement of the unit and would more properly be addressed when application is made to place facilities on or near the Frenches' property.

The examiner concludes that the application meets the requirements of the act and that there are no adverse impacts associated with the proposed enlargement to the unit. The EUB continues to

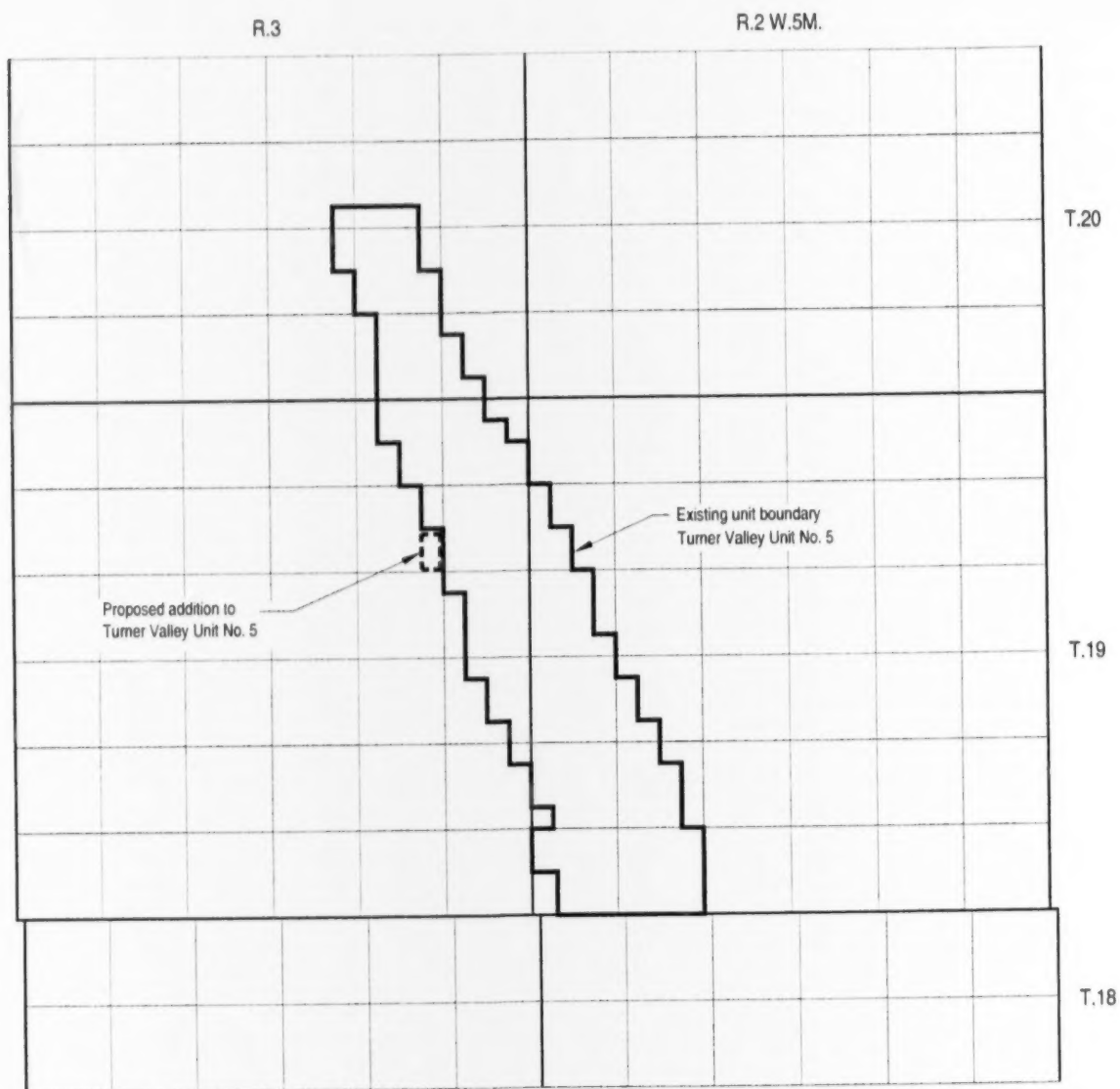
encourage efforts by owners of oil and gas interests to combine interests when practical for the efficient development of resources, and therefore the examiner recommends that the application be approved.

Dated in Calgary, Alberta, on February 20, 2004.

ALBERTA ENERGY AND UTILITIES BOARD



R. J. Willard, P.Eng.



Turner Valley Unit No. 5